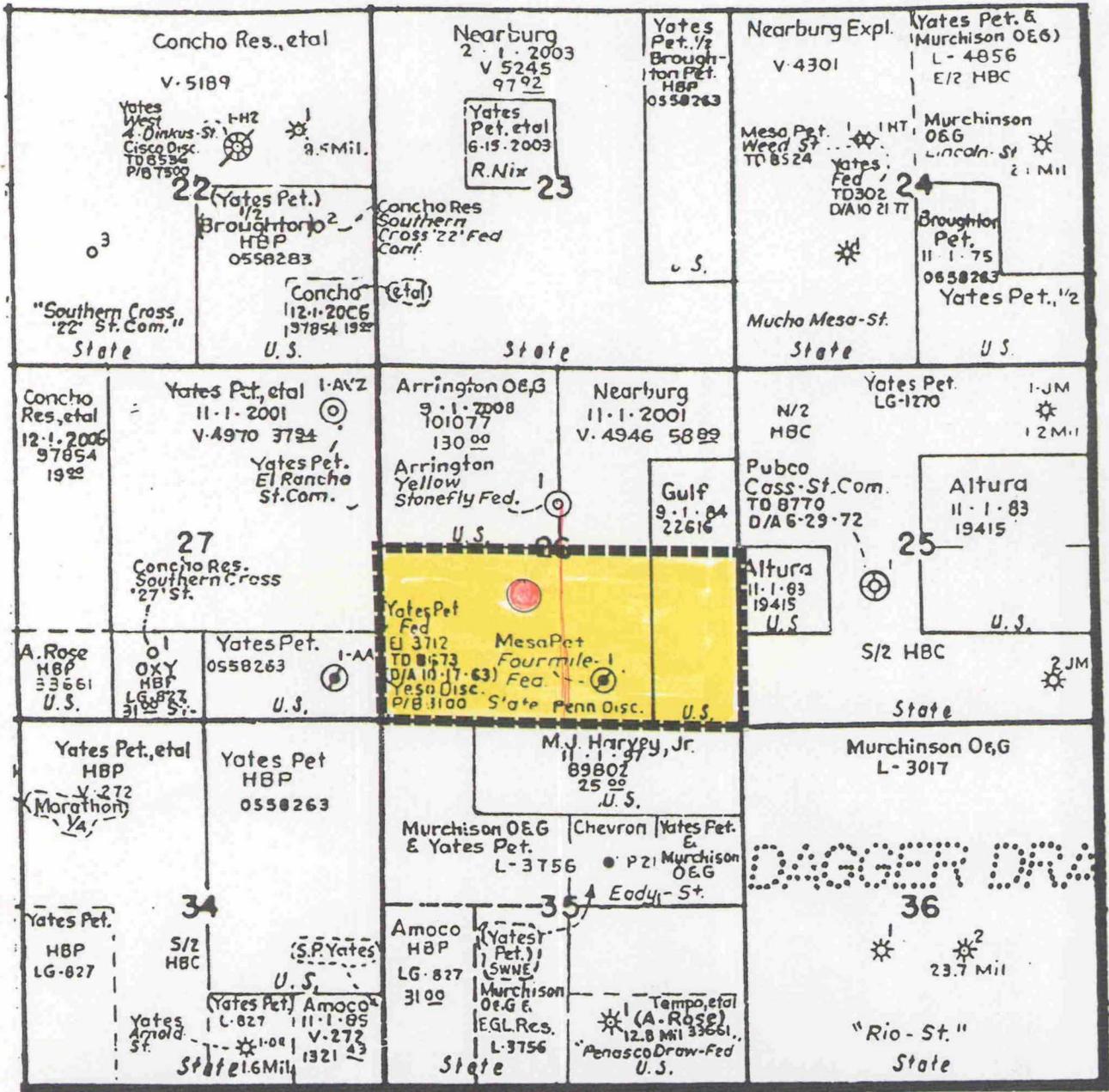


Exhibit "D"
 Poco Mesa "26" State Com. #1
 1980' FSL, 2400' FWL
 S/2 section 26 T-18-S, R-24-S
 Eddy County, New Mexico

15

14

13

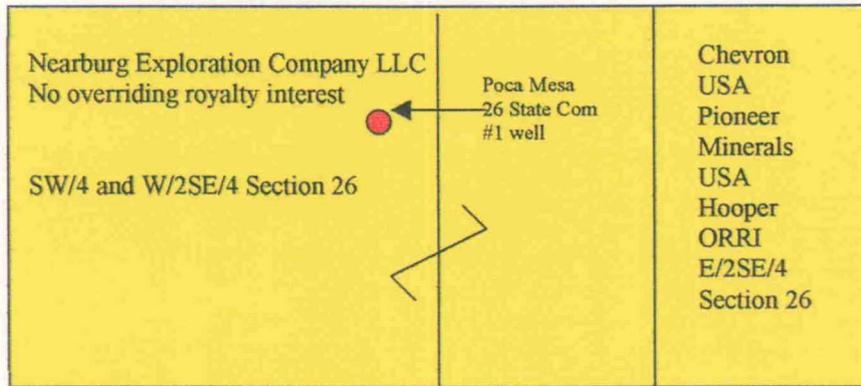


26

33

Exhibit "C"

**Poca Mesa 26 State Com #1 well
2,400' FWL and 1,980' FSL of Section 26
T-18-S, R-24-E, Eddy County, New Mexico**



E/2SE/4 Surface to 5,000' and below 6,673' to all depths

Chevron USA, Inc. - 100%

No Override

E/2SE/4 From 5,000' to 6,673'

Chevron USA, Inc. - 50%

Pioneer Natural Resources, USA, Inc. - 50%

Edward and Darlene Hooper (ORRI) - 2.5%

Gailen and Shirley Hooper (ORRI) - 2.5%

surface

75% committed currently

*Morrow Primary
zone of interests
no secondary*

Nearburg Exploration Company, L.L.C.

*Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806*

February 7, 2001

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702

ATTN: Ray Vaden

RE: T-18-S, R-24-E
Section 26: E/2 SE/4
Lea County, New Mexico
Poco Mesa Prospect

Gentlemen:

Pursuant to my telephone conversation of this date with Marsha Barabash, Nearburg Exploration Company, L.L.C. (NEC) would like to acquire a two (2) year term assignment of all of Chevron USA, Inc.'s (Chevron) interest in the captioned acreage on the following terms and conditions.

- 1) NEC will pay \$200.00 per net leasehold acre assigned.
- 2) Chevron shall retain an overriding royalty equal to the difference between existing burdens and 22%.
- 3) The parties agree to enter into a mutually acceptable form of term assignment to enable the conveyance of this interest.
- 4) NEC would be allowed to have access to Chevron's in house files to verify that there are no preferential rights to purchase or restrictions on assignments affecting said acreage.
- 5) This offer shall expire on its own terms unless accepted by Chevron prior to 5:00 CST on February 21, 2001.

Should you agree to the proposal as set forth above, please signify your acceptance of this offer by signing in the space provided below and return one (1) copy to the attention of the undersigned.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12662 Exhibit No. 3
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 17, 2001

Mr. Ray Vaden
Chevron USA, Inc.
February 7, 2001
Page Two

If we can be of further assistance, please advise.

Yours truly,



Duke Roush
Senior Landman

DR/dw

AGREED THIS ____ day of _____, 2001.

CHEVRON USA, INC.

By: _____
Its: _____

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

CO TRM
Kathie
DAD

March 12, 2001

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702

ATTN: Ray Vaden

RE: Poco Mesa "26" State Com. #1
1,980' FSL and 2,400' FWL
S/2 Section 26, T-18-S, R-24-E
Eddy County, New Mexico
Poco Mesa 26 (01) Prospect

Gentlemen:

Nearburg Exploration Company, L.L.C. (NEC) hereby proposes the drilling of the Poco Mesa "26" State Com. #1 well at the captioned location to a depth of 8,700' or to a depth to adequately test the Morrow formation. NEC shall designate the S/2 of Section 26 as the 320 acre proration unit. We have enclosed herewith an AFE setting forth our estimated cost to drill and complete said well. Should you wish to participate in the drilling of this well, we ask that you please execute both copies of the AFE and return one copy to the undersigned.

If you do not wish to participate, we ask that you consider granting NEC a term assignment or farmout of your interest in the E/2 SE/4 of Section 26 on mutually agreeable terms.

If we can be of further assistance, please advise.

Yours truly,



Duke Roush
Senior Landman

DR/dw
Encl.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7000 0520 0021 3171 8043

Poco Mesa 26 St. Com. #1

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		
Recipient's	Chevron USA, Inc.	<i>1 by mailer</i>
Street, Apt. No.	P. O. Box 1150	
City, State, ZIP+	Midland, Texas 79702	

PS Form 3800, February 2000 See Reverse for Instructions

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Chevron MA 200
 Box 1150
 Midland, TX 79702*

4a. Article Number

7000 0520 0021 3171 8043

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

MAR 13 2001

5. Received By: (Print Name)

Bob Bell

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Bob Bell

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA, Inc.
 P. O. Box 1150
 Midland, Texas 79702

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- | | |
|--|---|
| <input checked="" type="checkbox"/> Certified Mail | <input type="checkbox"/> Express Mail |
| <input type="checkbox"/> Registered | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Insured Mail | <input type="checkbox"/> C.O.D. |

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

7000 0520 0021 3171 8043 - Poco Mesa 26 St. Com. #1

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

cc: TRM
DAD
K.C.

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

March 27, 2001

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Pioneer Natural Resources USA, Inc.
P. O. Box 3178
Midland, Texas 79702

RE: Poco Mesa "26" State Com. #1
1,980' FSL and 2,400' FWL
S/2 Section 26, T-18-S, R-24-E
Eddy County, New Mexico
Poco Mesa 26 (01) Prospect

Gentlemen:

Nearburg Exploration Company, L.L.C. (NEC) hereby proposes the drilling of the Poco Mesa "26" State Com. #1 well at the captioned location to a depth of 8,700' or to a depth to adequately test the Morrow formation. NEC shall designate the S/2 of Section 26 as the 320 acre proration unit. We have enclosed herewith an AFE setting forth our estimated cost to drill and complete said well. Should you wish to participate in the drilling of this well, we ask that you please execute both copies of the AFE and return one copy to the undersigned.

If you do not wish to participate, we ask that you consider granting NEC a term assignment or farmout of your interest in the E/2 SE/4 of Section 26 on mutually agreeable terms.

If we can be of further assistance, please advise.

Yours truly,

Duke Roush
Senior Landman

DR/dw
Encl.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Poco Mesa 26 St. Com. #1

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total	

Postmark Here

Rec'd Pioneer Natural Resources USA, Inc.
P. O. Box 3178
Midland, Texas 79702

PS Form 3800, February 2000 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

7000 0520 0021 3169 2886
Pioneer Natural Resources USA, Inc.
P. O. Box 3178
Midland, Texas 79702

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) James Stevens B. Date of Delivery MAR 28 2001

C. Signature James Stevens Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Poca Mesa "26" State Com WELL NUMBER: 1 PBTD: 8,700'
LOCATION: 1,980' FSL & 2,400' FWL, Section 26, T18S, R24E, Eddy County, New Mexico
FIELD: Morrow Gas EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas well.

DATE PREPARED: 3/6/01 EST. START DATE: 5/1/01 EST. COMPLETION DATE: 6/15/01
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	1520.310	0	NA	0	0
Surface Csg	350 Ft @	24.00 \$/Ft	1520.310	8,400	NA	0	8,400
Intermediate Csg	1,200 Ft @	14.00 \$/Ft	1520.315	16,800	NA	0	16,800
Protection Csg	0 Ft @	0.00 \$/Ft	1520.320	0	NA	0	0
Production Csg	8,700 Ft @	8.00 \$/Ft	NA	0	1522.305	69,600	69,600
Protection Liner	0 Ft @	0.00 \$/Ft	1520.330	0	NA	0	0
Production Liner	0 Ft @	0.00 \$/Ft	NA	0	1522.305	0	0
Tubing	8,500 Ft @	3.38 \$/Ft	NA	0	1522.310	28,730	28,730
Rods	0 Ft @	0.00 \$/Ft	NA	0	1522.310	0	0
Artificial Lift Equipment			NA	0	1522.310	0	0
Tank Battery			NA	0	1522.310	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			NA	0	1522.310	12,720	12,720
* Well Head Equipment & Christmas Tree			1520.325	5,500	1522.310	11,500	17,000
Subsurface Well Equipment			NA	0	1522.310	6,148	6,148
Flow Lines			NA	0	1522.310	13,250	13,250
Saltwater Disposal Pump			NA	0	1522.310	0	0
Gas Meter			NA	0	1522.310	1,484	1,484
Lact Unit			NA	0	1522.310	0	0
Vapor Recovery Unit			NA	0	1522.310	0	0
Other Well Equipment			NA	0	1522.310	0	0
ROW and Damages			NA	0	1522.310	0	0
Surface Equipment Installation Costs			NA	0	1522.310	9,540	9,540
Elect. Installation			NA	0	1522.310	0	0
ESTIMATED TOTAL TANGIBLES				30,700		163,572	194,272
ESTIMATED TOTAL WELL COSTS				675,474		320,123	995,596

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	03/12/01
REVIEWED BY:	
APPROVED BY: <i>[Signature]</i>	
APPROVED BY: <i>[Signature]</i>	3/12/01

WI APPROVAL: COMPANY Pioneer Natural Resources USA, Inc.
BY
TITLE
DATE

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

cc: TRM
DAD
KC.

March 27, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron USA, Inc.
P. O. Box 1635
Houston, Texas 77251

RE: Poco Mesa "26" State Com. #1
1,980' FSL and 2,400' FWL
S/2 Section 26, T-18-S, R-24-E
Eddy County, New Mexico
Poco Mesa 26 (01) Prospect

Gentlemen:

Nearburg Exploration Company, L.L.C. (NEC) hereby proposes the drilling of the Poco Mesa "26" State Com. #1 well at the captioned location to a depth of 8,700' or to a depth to adequately test the Morrow formation. NEC shall designate the S/2 of Section 26 as the 320 acre proration unit. We have enclosed herewith an AFE setting forth our estimated cost to drill and complete said well. Should you wish to participate in the drilling of this well, we ask that you please execute both copies of the AFE and return one copy to the undersigned.

If you do not wish to participate, we ask that you consider granting NEC a term assignment or farmout of your interest in the E/2 SE/4 of Section 26 on mutually agreeable terms.

If we can be of further assistance, please advise.

Yours truly,

Duke Roush
Senior Landman

DR/dw
Encl.

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
Poco Mesa 26 St. Com. #1	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery (Endorsement)	<input type="checkbox"/>
Total Postage	
Recipient's	Chevron USA, Inc.
Street, Apt. #	P. O. Box 1635
City, State, ZIP+ 4	Houston, Texas 77251
PS Form 3800, February 2000 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly) MAR 30 2001 B. Date of Delivery C. Signature <i>Javier Chapa</i> <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No YES, enter delivery address below:	
1. Article Addressed to:		3. Service Type	
 Chevron USA, Inc. P. O. Box 1635 Houston, Texas 77251		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Copy from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7000 0520 0021 3169 2879		Poco Mesa 26 St. Com. #1	

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Poca Mes: "26" State Com WELL NUMBER: 1 PBTD: 8,700'
 LOCATION: 1,980' FSL & 2,400' FWL, Section 26, T18S, R24E, Eddy County, New Mexico
 FIELD: Morrow Gas EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas well.

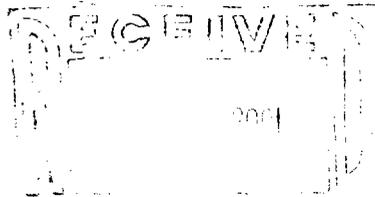
DATE PREPARED: 3/6/01 EST. START DATE: 5/1/01 EST. COMPLETION DATE: 6/15/01
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	350 Ft @	24.00 \$/Ft	8,400	0	8,400
Intermediate Csg	1,200 Ft @	14.00 \$/Ft	16,800	0	16,800
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	8,700 Ft @	8.00 \$/Ft	0	69,600	69,600
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	8,500 Ft @	3.38 \$/Ft	0	28,730	28,730
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			5,500	11,500	17,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	0	0
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			30,700	163,572	194,272
ESTIMATED TOTAL WELL COSTS			675,474	320,123	995,596

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	03/12/01
REVIEWED BY:	
APPROVED BY: <i>[Signature]</i>	
APPROVED BY: <i>[Signature]</i>	3/12/01

NI APPROVAL: COMPANY Chevron USA, Inc.
 BY _____
 TITLE _____
 DATE _____



File



April 25, 2001

Chevron U.S.A. Production Company
P.O. Box 1150, Midland, TX 79702
15 Smith Road, Midland, TX 79705
Phone 915 687 7745
Fax 915 687 7448
E-Mail rvad@chevron.com

Nearburg Exploration Company, L.L.C.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attention: Mr. Duke Roush

R. M. Vaden
Senior Land Representative
Permian Basin Land Division

Re: Term Assignment Request Request
Dagger Draw Area
Poco Mesa "26" Fed Com. #1
Township 18 South, Range 24East
Section: 26: S/2
Eddy County, New Mexico
Federal lse # NM-22616 / Chevron Lse # 312847 / Control # 2114

Dear Duke:

Your letter of January March 27, 2001, requested Cheveon's joinder to the AFE for the captioned well for a Morrow formation test. Our geologist recently completed a review of your request, and I have been informed that Chevron does not, at this time, desire to join in drilling this well. I realize that we previously also turned down your request for a term assignment, sale, or farmout of the Chevron acreage in this proposed proration unit.

I discussed the proposed well with our geologist, and in the event you elect to force pool Chevron's interest under this well, Chevron will then decide to either farmout, join or accept the non-consent penalty for this well. I will also continue efforts to clarify title concerning the Mesa Fourmile Federal Com well and Chevron's current interest in the proration unit of your proposed well.

Thank you for your interest. We will keep your letter on file for future reference. If you have any questions concerning the above, please call me at (915) 687-7745.

Sincerely,

Ray M. Vaden, CPL, ESA

cc: James Baca – NOJV, Houston

BEFORE THE OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT

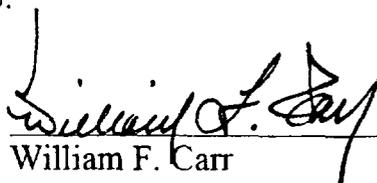
APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY POOLING S/2
OF SECTION 26, TOWNSHIP 18 SOUTH, RANGE 24
EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

CASE NO. 12662

AFFIDAVIT

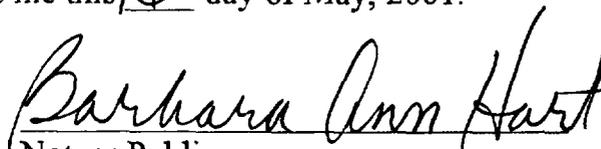
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Nearburg Exploration Company, L.L.C., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before me this 16th day of May, 2001.



Notary Public

My Commission Expires:

March 28, 2001

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12662 Exhibit No. 4
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 17, 2001

EXHIBIT A

APPLICATION OF NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING
S/2 OF SECTION 26, TOWNSHIP 18 SOUTH, RANGE 24 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702
Attn: Ray Vaden

Pioneer Natural Resources, U.S.A.
Post Office Box 3178
Midland, Texas 79702

HOLLAND & HART ^{LLP}
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2206
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

April 26, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS

Re: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Nearburg Exploration Company, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division. This application has been set for hearing before a Division Examiner on May 17, 2001. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the name of the party and its attorney; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,



Michael H. Feldewert
ATTORNEY FOR NEARBURG
EXPLORATION COMPANY, L.L.C.

Enc.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

MAF 648

Postage .55

Certified Fee 1.50

Return Receipt Fee (Endorsement Required) 1.50

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$3.55

SANTAFE NM
APR 26 2001
USPS 4 87501

Postmark Here

PS Form 3811, July 1999

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pioneer Natural Resources, U.S.A.
Post Office Box 3178
Midland, Texas 79702

2. Article Number (Copy from service label)
7000 0600 0024 3127 8617

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *James Stevens* B. Date of Delivery **APR 30 2001**

C. Signature *James Stevens* Agent Address

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

102595-99-M-17

U.S. Postal Service
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APR 26 2001
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PS Form 3811, July 1999

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1. Article Addressed to:

Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702
Attn: Ray Vaden

2. Article Number (Copy from service label)
7000 0600 0024 3127 8624

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *Ray Vaden* B. Date of Delivery **APR 30 2001**

C. Signature *Ray Vaden* Agent Address

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

102595-99-M-17

HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE • CASPER
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-8043

Michael H. Feldewert
(505) 988-4421
(505) 983-6043 Fax
mfeldewert@hollandhart.com

March 27, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
01 MAR 27 PM 3:26

Re: *Application of Nearburg Exploration Company, L.L.C. for Administrative Approval of an Unorthodox Well Location for its Poco Mesa "26" State Com Well No. 1, located 1980 feet from the South line and 2400 feet from the West line of Section 26, Township 18 South, Range 24 East, N.M.P.M., Eddy County, New Mexico.*

Dear Ms. Wrotenbery:

Nearburg Exploration Company, L.L.C. ("Nearburg") seeks administrative approval pursuant to the provisions of Division Rule 104.F for an unorthodox well location for its Poco Mesa "26" State Com Well No. 1 to be drilled and completed in the Undesignated Penasco Draw-Morrow Gas Pool and/or the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool at an unorthodox location 1980 feet from the South line and 2400 feet from the West line (Unit K) of Section 26, Township 18 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. A standard 320-acre spacing unit comprised of the S/2 of Section 26 is to be dedicated to this well. The Undesignated Penasco Draw-Morrow Gas Pool and the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool are governed by the Division's statewide rules that provide for gas wells to be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located. See Division Rule 104.C(2). This unorthodox location is 240 feet off of the quarter section line and therefore encroaches on the SE/4 by 420 feet.

This unorthodox location is required by geologic conditions. The primary target for this well is the Morrow sands. Exhibit A is a Morrow Clastics Isochron Map and Exhibit B

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12662 Exhibit No. 5
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 17, 2001

HOLLAND & HART LLP
ATTORNEYS AT LAW

Lori Wrotenbery
March 27, 2001
Page 2

is Cisco 3D seismic anomaly map for this well.¹ These exhibits demonstrate that the proposed location is centered on a Morrow channel "thick" and within a .034 millisecond contour. In contrast, the Mesa Petroleum Fourmile State Morrow dry hole 1600 feet southeast of the proposed location is outside the .028 millisecond contour and in a Morrow "thin" area lacking pay sands. Nearburg's proposed location is centered on the Morrow isochron "thick" where there is the greatest possibility of a productive well.

Exhibit C is a plat showing the S/2 320-acre spacing unit, the unorthodox well location, and the ownership of the 320-acre spacing unit. The ownership in the SW/4 and the W/2 SE/4 is common. A copy of this application has been sent to the New Mexico State Land Office and the affected parties in the E/2 SE/4 by certified mail, return receipt requested, advising them that if they have an objection to this application it must be filed in writing within twenty days from the date the Division receives this application.

Exhibit D is a land locator map showing the 320- acre spacing unit and adjoining spacing units and wells.

Your attention to this application is appreciated.

Very truly yours,



Michael H. Feldewert

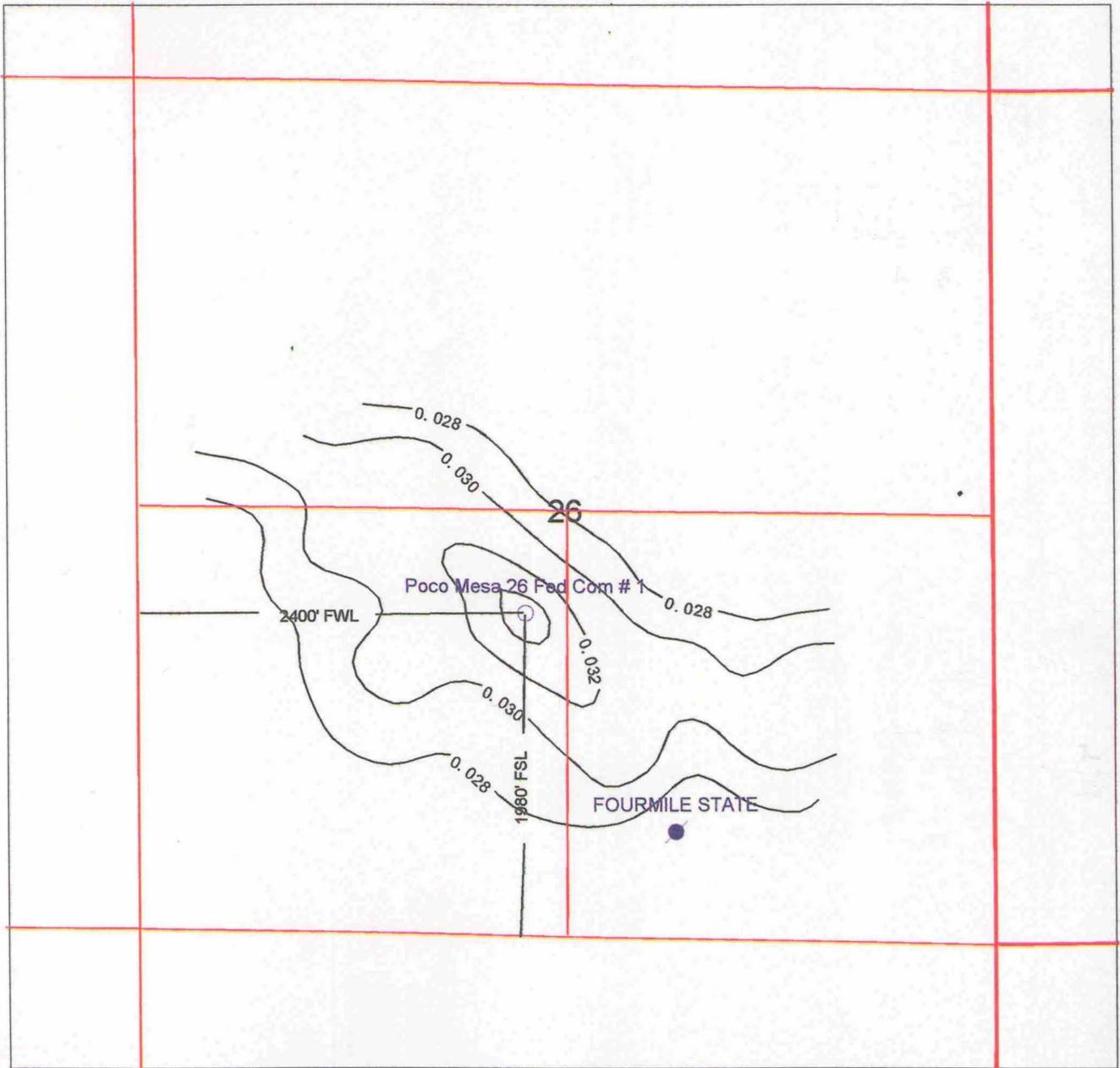
Enclosures

Cc: Mr. Robert Shelton, Nearburg Exploration Company, L.L.C.

¹ These two exhibits mistakenly refer to the proposed well as the Poco Mesa Federal Com #1.

EXHIBIT "A"

XY:



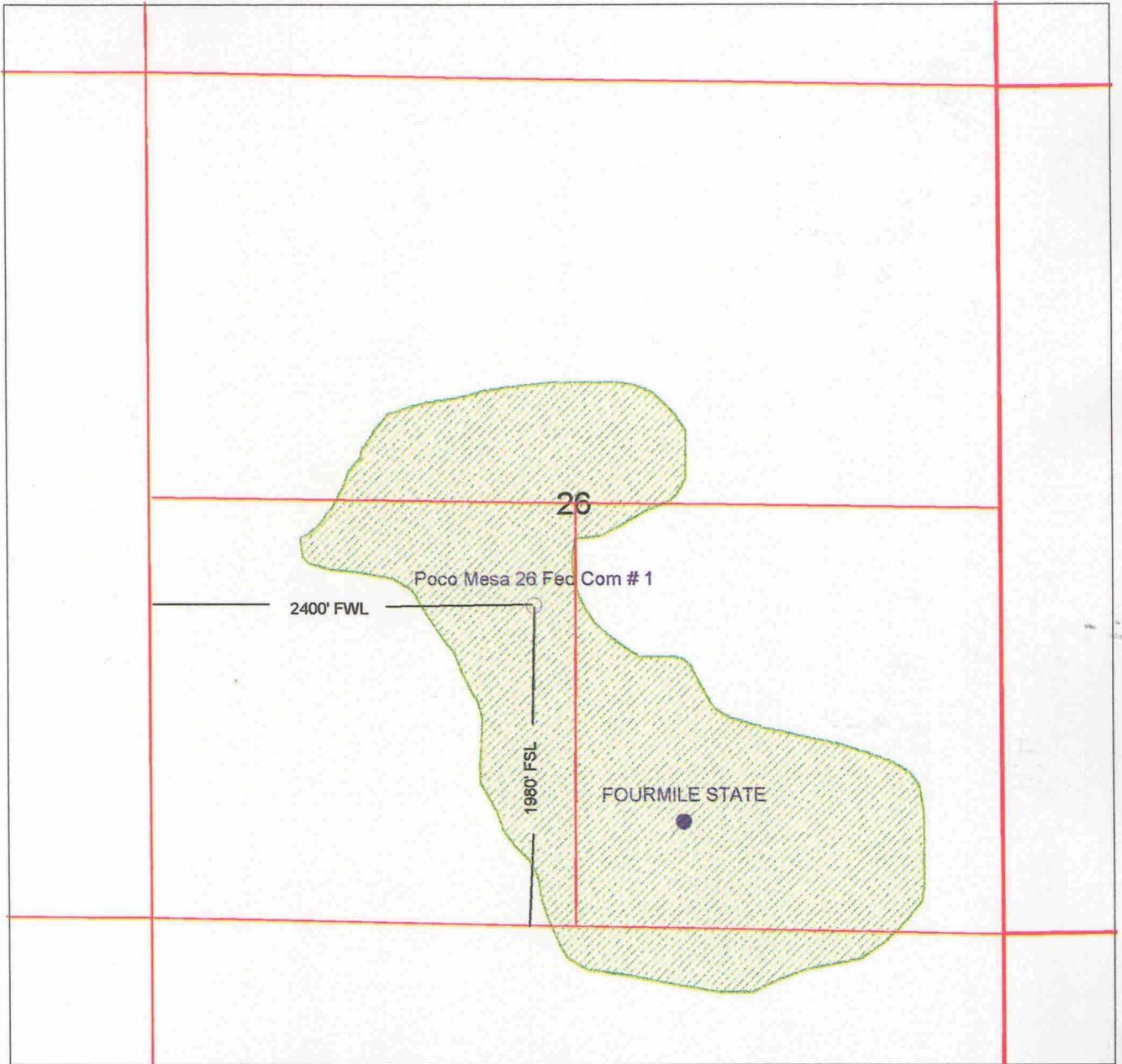
Poco Mesa 26 Federal Com # 1

Nearburg Producing Company

Morrow Clastics Isochron Map
scale 1:1000'

EXHIBIT "B"

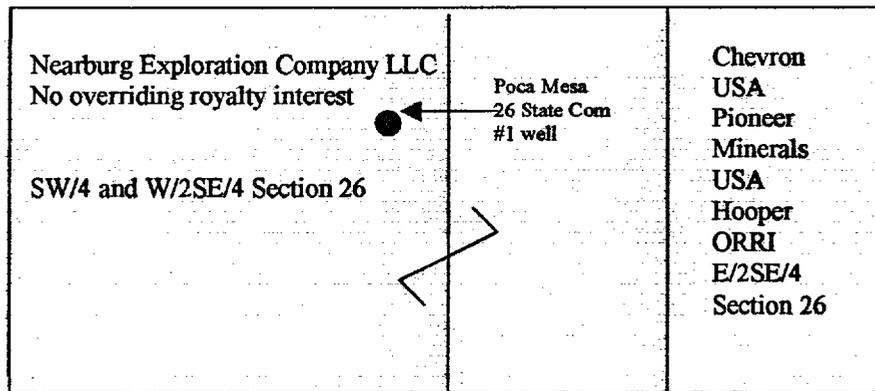
XY:



Poco Mesa 26 Federal Com # 1
Nearburg Producing Company
Cisco 3D seismic anomaly map scale 1:1000'

Exhibit "C"

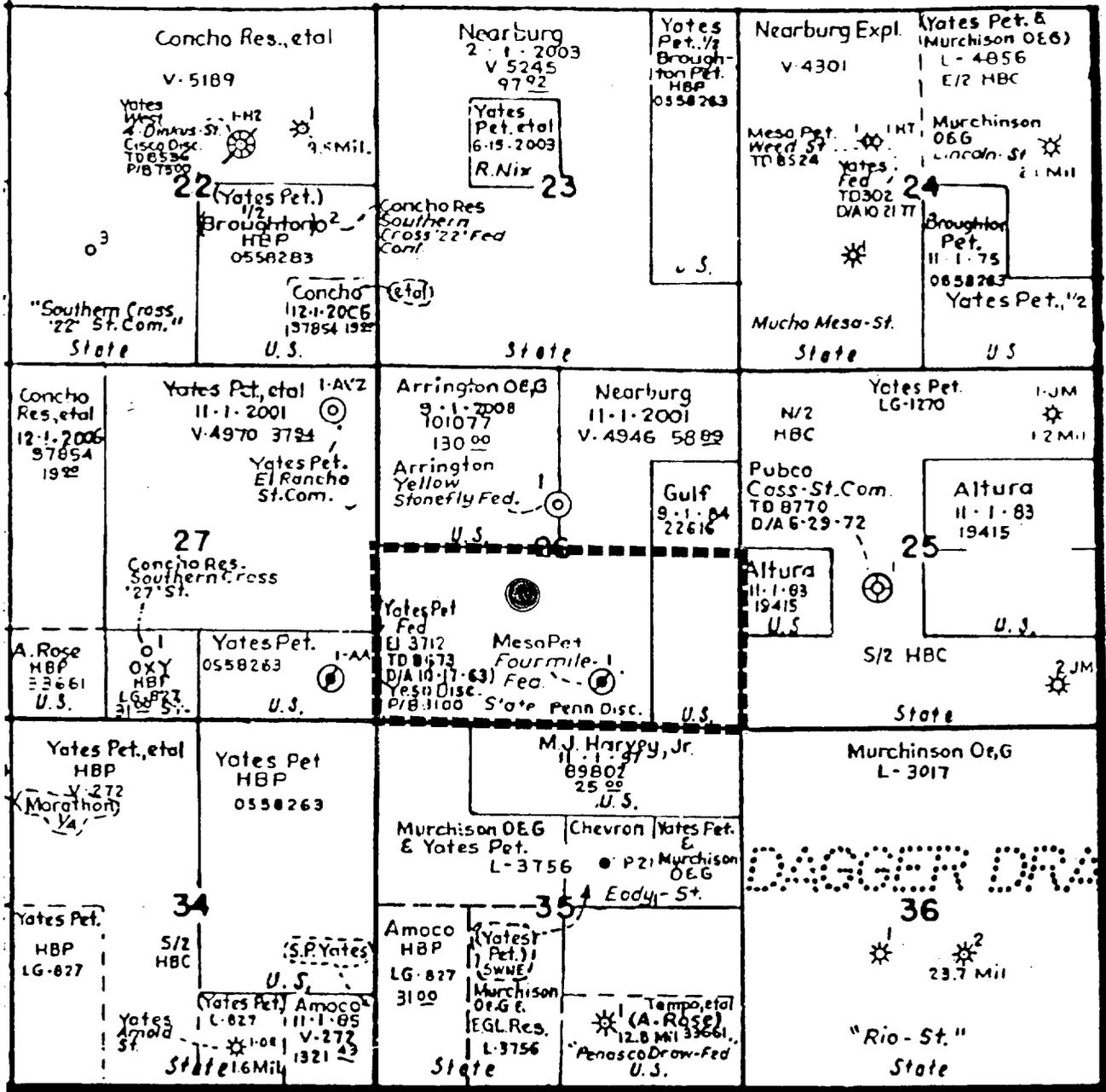
**Poca Mesa 26 State Com #1 well
2,400' FWL and 1,980' FSL of Section 26
T-18-S, R-24-E, Eddy County, New Mexico**



E/2SE/4 Surface to 5,000' and below 6,673' to all depths
Chevron USA, Inc. - 100%
No Override

E/2SE/4 From 5,000' to 6,673'
Chevron USA, Inc. - 50%
Pioneer Natural Resources, USA, Inc. - 50%
Edward and Darlene Hooper (ORRI) - 2.5%
Gailen and Shirley Hooper (ORRI) - 2.5%

Exhibit "D"
 Poco Mesa "26" State Com. #1
 1980' FSL, 2400' FWL
 S/2 section 26 T-18-S, R-24-S
 Eddy County, New Mexico



HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
ATTORNEYS AT LAW

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CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
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P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

Michael H. Feldewert
(505) 988-4421
(505) 983-6043 Fax
mfeldewert@hollandhart.com

March 27, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

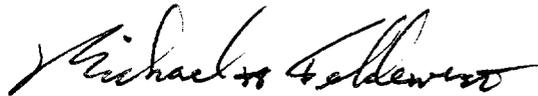
Chevron U.S.A., Inc.
Post Office Box 1635
Houston, TX 77251

Re: *Application of Nearburg Exploration Company, L.L.C. for Administrative Approval of an Unorthodox Well Location for its Poco Mesa "26" State Com Well No. 1, located 1980 feet from the South line and 2400 feet from the West line of Section 26, Township 18 South, Range 24 East, N.M.P.M., Eddy County, New Mexico.*

Dear Sir or Madame:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,



Michael H. Feldewert

enc.

HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
ATTORNEYS AT LAW

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BOULDER • COLORADO SPRINGS
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FACSIMILE (505) 983-6043

Michael H. Feldewert
(505) 988-4421
(505) 983-6043 Fax
mfeldewert@hollandhart.com

March 27, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Pioneer Natural Resources USA, Inc.
Post Office Box 3178
Midland, TX 79702

Re: *Application of Nearburg Exploration Company, L.L.C. for Administrative Approval of an Unorthodox Well Location for its Poco Mesa "26" State Com Well No. 1, located 1980 feet from the South line and 2400 feet from the West line of Section 26, Township 18 South, Range 24 East, N.M.P.M., Eddy County, New Mexico.*

Dear Sir or Madame:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,



Michael H. Feldewert

enc.

HOLLAND & HART^{LLP}
and
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
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SALT LAKE CITY • SANTA FE
WASHINGTON, D. C.

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SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

Michael H. Feldewert
(505) 988-4421
(505) 983-6043 Fax
mfeldewert@hollandhart.com

March 27, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Edward and Darlene Hooper
Gailen and Shirley Hooper
2651 Camino Chueco
Santa Fe, New Mexico 87501

Re: *Application of Nearburg Exploration Company, L.L.C. for
Administrative Approval of an Unorthodox Well Location for its
Poco Mesa "26" State Com Well No. 1, located 1980 feet from
the South line and 2400 feet from the West line of Section 26,
Township 18 South, Range 24 East, N.M.P.M., Eddy County,
New Mexico.*

Dear Messrs. and Mmes. Hooper:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,



Michael H. Feldewert

enc.

HOLLAND & HART LLP
and
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE • CASPER
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P. O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

Michael H. Feldewert
(505) 988-4421
(505) 983-6043 Fax
mfeldewert@hollandhart.com

March 27, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

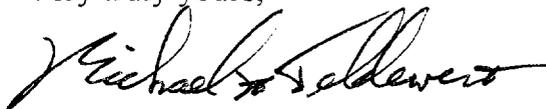
New Mexico Commissioner of Public Lands
Ray Powell, Jr.
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

Re: *Application of Nearburg Exploration Company, L.L.C. for
Administrative Approval of an Unorthodox Well Location for its
Poco Mesa "26" State Com Well No. 1, located 1980 feet from
the South line and 2400 feet from the West line of Section 26,
Township 18 South, Range 24 East, N.M.P.M., Eddy County,
New Mexico.*

Dear Mr. Powell:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,



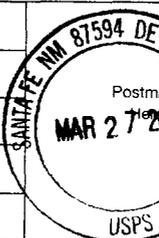
Michael H. Feldewert

enc.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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MHF 698

Postage	\$ 55
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$3.95



Edward & Darlene Hooper
 Gailen & Shirley Hooper
 2651 Camino Chueco
 Santa Fe, N.M. 87501

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Edward & Darlene Hooper
 Gailen & Shirley Hooper
 2651 Camino Chueco
 Santa Fe, N.M. 87501

2. Article Number (Copy from service label)

7000 0600 0024 3129 7662

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Shirley Hooper Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

MHF-698

Postage	\$.55
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$3.95



N.M. Comm. of Public Lands
 Ray Powell, Jr.
 Post Office Box 1148
 Santa Fe, N.M. 87504-1148

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

N.M. Comm. of Public Lands
 Ray Powell, Jr.
 Post Office Box 1148
 Santa Fe, N.M. 87504-1148

2. Article Number (Copy from service label)

7000 0600 0024 3129 7656

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

Ray Powell Agent Address

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-178

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

MAIL 018

Postage	\$ 55
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.95



Chevron U.S.A., Inc.
 Post Office Box 1635
 Houston, Texas 77251

Reverse for Instructions

7000 0600 0024 3129 1670

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

MAIL 018

Postage	\$ 55
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.95



Pioneer Natural Resources USA
 Post Office Box 3178
 Midland, Texas 79702

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pioneer Natural Resources USA
 Post Office Box 3178
 Midland, Texas 79702

2. Article Number (Copy from service label)

7000 0600 0024 3129 1670

A. Received by (Please Print Clearly) **James Stevens** B. Date of Delivery **MAR 29 2001**

C. Signature *James Stevens* Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7000 0600 0024 3129 1670



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

April 24, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Nearburg Exploration Company, L.L.C.
c/o Holland & Hart LLP and Campbell & Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewert

Re: Administrative application initially filed with the New Mexico Oil Conservation Division in Santa Fe on March 27, 2001 for an exception to Division Rule 104.C (2) (a) for Nearburg Exploration Company, L.L.C.'s proposed Poco Mesa "26" State Com. Well No. 1 to be drilled at an unorthodox gas well location 1980 feet from the South line and 2400 feet from the West line (Unit K) of Section 26, Township 18 South, Range 24 East, NMPM, Eddy County, New Mexico, whereby the S/2 of Section 26 is to be dedicated to the well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Undesignated Penasco Draw-Permo Penn and Penasco Draw-Morrow Gas Pools.

Dear Mr. Feldewert:

I have reviewed your initially application dated March 27, 2001 and all of the subsequent correspondence related to this matter. This application will be set for hearing before a Division Hearing Examiner on the next available docket scheduled for May 17, 2001.

I have prepared the following advertisement in this matter:

"Application of Nearburg Exploration Company, L.L.C. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Poco Mesa "26" State Com. Well No. 1 at an unorthodox gas well location 1980 feet from the South line and 2400 feet from the West line (Unit K) of Section 26, Township 18 South, Range 24 East, located approximately 12 miles southeast of Hope, New Mexico. The S/2 of Section 26 is to be dedicated to the well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Undesignated Penasco Draw-Permo Penn and Penasco Draw-Morrow Gas Pools".

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
U. S. Bureau of Land Management - Carlsbad
Shirley M. Hooper-Garcia - Santa Fe
Gailen H. Hooper - Las Cruces
Bruce and Darlene Harberger - Loveland, CO

RECEIVED

APR 25 2001

HOLLAND & HART LLP

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Poca Mes: "26" State Com WELL NUMBER: 1 PBTD: 8,700'
LOCATION: 1,980' FSL & 2,400' FWL, Section 26, T18S, R24E, Eddy County, New Mexico
FIELD: Morrow Gas EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas well.

DATE PREPARED: 3/6/01 EST. START DATE: 5/1/01 EST. COMPLETION DATE: 6/15/01
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 8,700 Ft @ 0.00 \$/Ft	0	0	0
Drilling Daywork 25 2 9,500 \$/day	251,750	20,140	271,890
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	31,800	0	31,800
Road & Location Expense	28,355	2,120	30,475
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	21,200	0	21,200
Fuel, Power, and Water	42,400	0	42,400
Supplies - Bits	29,945	1,060	31,005
Supplies - Casing Equipment	2,120	4,770	6,890
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	5,300	0	5,300
Cement and Cmt. Services - Int. Csg	12,720	0	12,720
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	11,130	0	11,130
Rental - Misc.	24,751	3,180	27,931
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	29,680	0	29,680
Mudlogging Services	13,250	0	13,250
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	23,850	23,850
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,646	6,646
Transportation	3,710	2,650	6,360
Tubular Goods - Inspection & Testing	1,590	5,300	6,890
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	15,000	3,000	18,000
Company Labor - Field Supervision	15,900	6,500	22,400
Contract Labor / Roustabout	4,770	10,335	15,105
Legal and Professional Service	5,000	0	5,000
Insurance	5,533	0	5,533
Overhead	7,000	3,500	10,500
SUBTOTAL	586,158	142,319	728,476
Contingencies (10%)	58,616	14,232	72,848
ESTIMATED TOTAL INTANGIBLES	644,774	156,551	801,324

AUTHORITY FOR EXPENDITURE

LEASE: Poca Mes: "26" State Com WELL NUMBER: 1 PBTID: 8,700'
 LOCATION: 1,980' FSL & 2,400' FWL, Section 26, T18S, R24E, Eddy County, New Mexico
 FIELD: Morrow Gas EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas well.

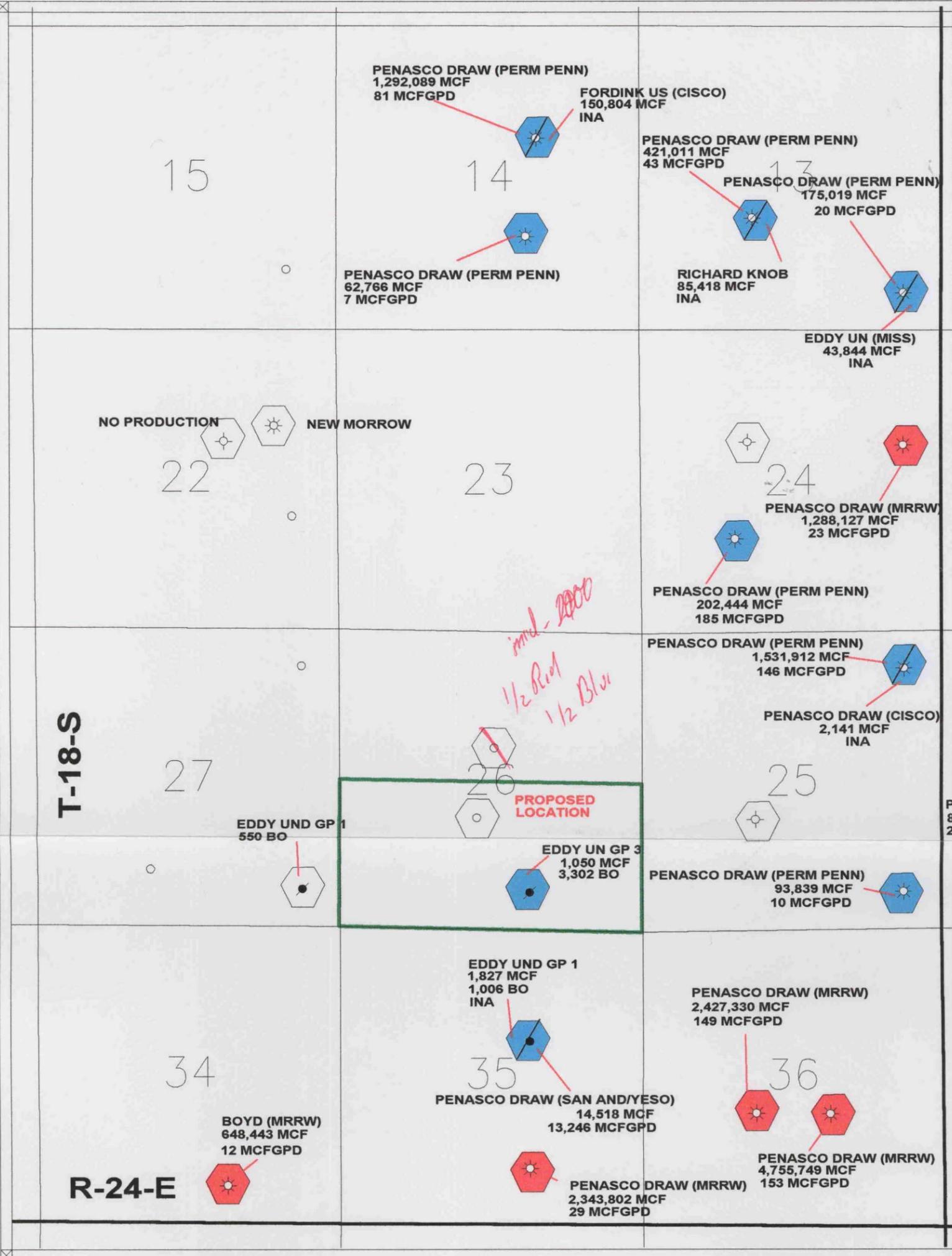
DATE PREPARED: 3/6/01 EST. START DATE: 5/1/01 EST. COMPLETION DATE: 6/15/01
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:	CODE	TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing 0 Ft @ 0.00 \$/Ft	1520325	0	0	0
Surface Csg 350 Ft @ 24.00 \$/Ft	1520310	8,400	0	8,400
Intermediate Csg 1,200 Ft @ 14.00 \$/Ft	1520310	16,800	0	16,800
Protection Csg 0 Ft @ 0.00 \$/Ft	1520320	0	0	0
Production Csg 8,700 Ft @ 8.00 \$/Ft	NA	0	69,600	69,600
Protection Liner 0 Ft @ 0.00 \$/Ft	1520330	0	0	0
Production Liner 0 Ft @ 0.00 \$/Ft	NA	0	0	0
Tubing 8,500 Ft @ 3.38 \$/Ft	NA	0	28,730	28,730
Rods 0 Ft @ 0.00 \$/Ft	NA	0	0	0
Artificial Lift Equipment	NA	0	0	0
Tank Battery	NA	0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO	NA	0	12,720	12,720
* Well Head Equipment & Christmas Tree	1520365	5,500	11,500	17,000
Subsurface Well Equipment	NA	0	6,148	6,148
Flow Lines	NA	0	13,250	13,250
Saltwater Disposal Pump	NA	0	0	0
Gas Meter	NA	0	1,484	1,484
Lact Unit	NA	0	0	0
Vapor Recovery Unit	NA	0	0	0
Other Well Equipment	NA	0	0	0
ROW and Damages	NA	0	0	0
Surface Equipment Installation Costs	NA	0	9,540	9,540
Elect. Installation	NA	0	0	0
ESTIMATED TOTAL TANGIBLES		30,700	163,572	194,272
ESTIMATED TOTAL WELL COSTS		675,474	320,123	995,596

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

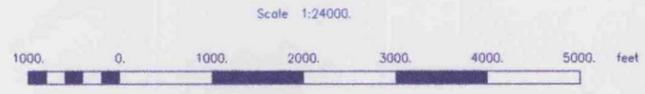
NRC APPROVAL	DATE
PREPARED BY: HRW	03/12/01
REVIEWED BY:	
APPROVED BY: <i>[Signature]</i>	
APPROVED BY: <i>[Signature]</i>	3/12/01

WI APPROVAL: COMPANY Chevron USA, Inc.
 BY _____
 TITLE _____
 DATE _____



LEGEND

-  PRODUCING FROM PERM. PENN.
-  PRODUCING FROM MORROW
-  PRODUCING FROM ATOKA
-  NPC PRORATION UNIT



Nearburg Producing Company
Exploration and Production
Midland, Texas

POCO MESA "26" ST. COM. #1
Eddy County, New Mexico

PRODUCTION MAP
PRODUCTION TO 6/00

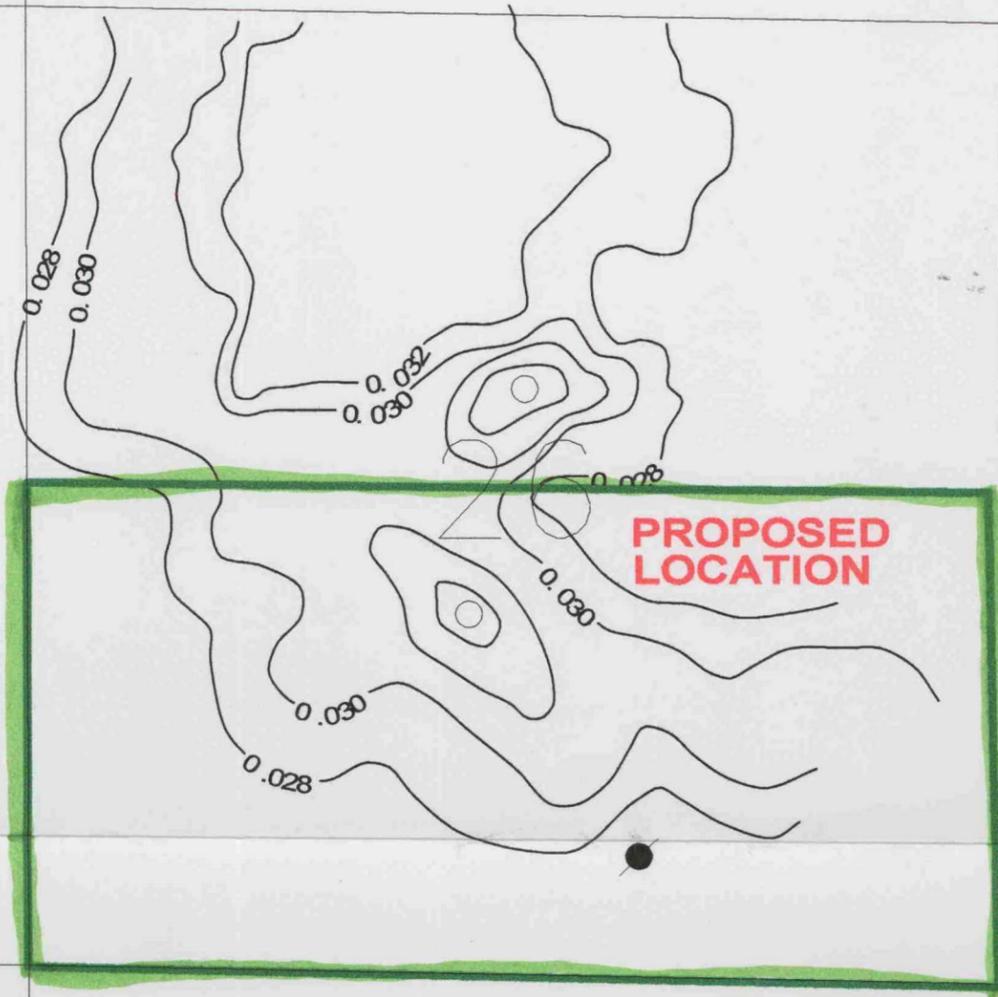
GEOLOGIST	DATE	DRAWN BY	FILE NO.
J. B. ELGER	05/2001	PLD/LCG	PROD.GPF

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12662 Exhibit No. 7
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 17, 2001

T-18-S

R-24-E

35



LEGEND

 NPC PRORATION UNIT

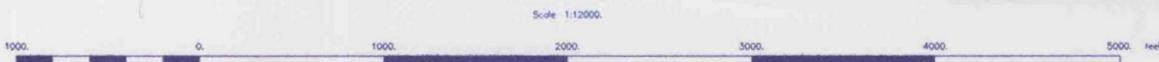
Nearburg Producing Company
Exploration and Production
Midland, Texas

POCO MESA "26" ST. COM. #1
EDDY COUNTY, NEW MEXICO

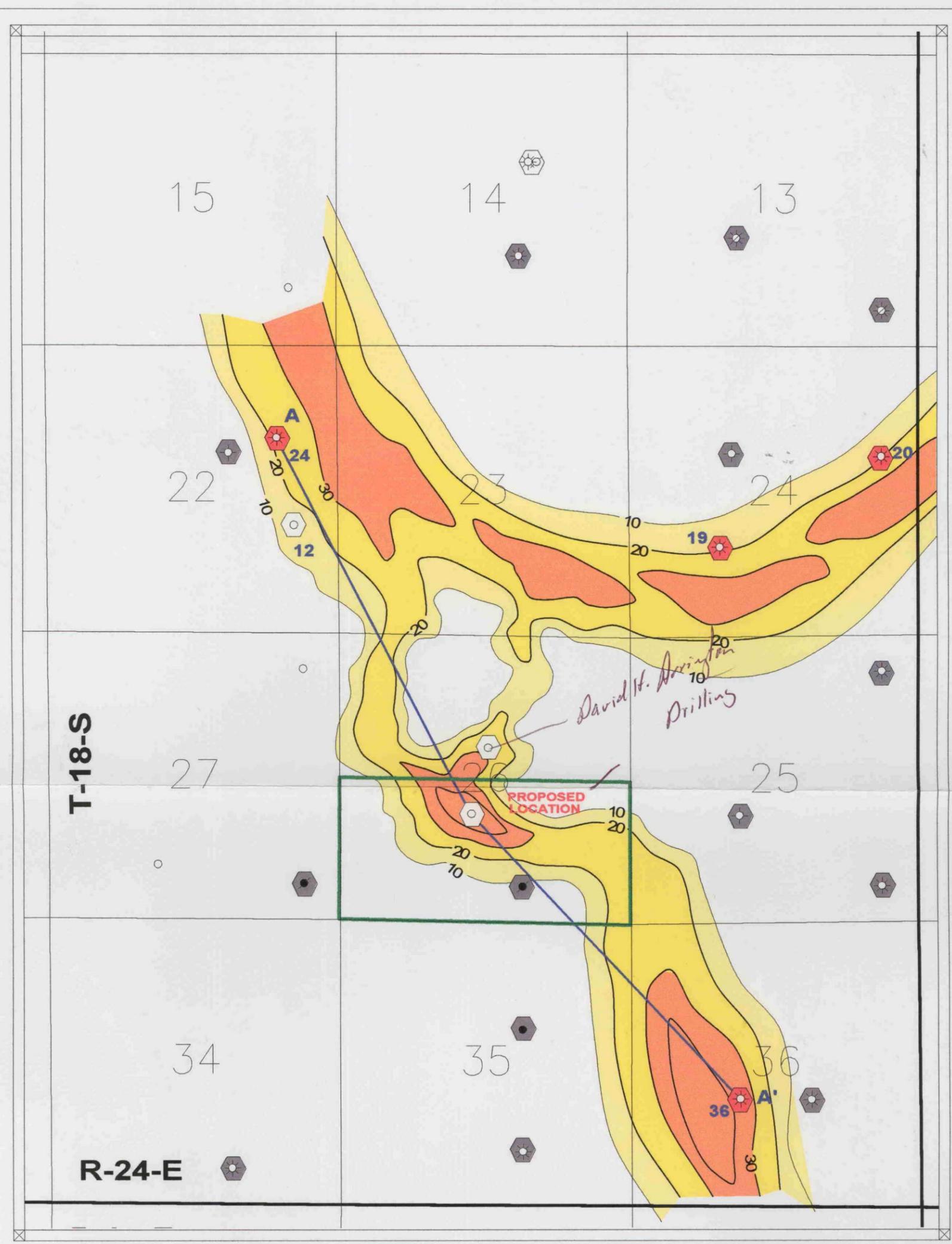
ISOCHRON MAP
T / Morrow Clastics to Miss. Chester

C.I. = .002 sec.

GEOPHYSICIST	DATE	DRAWN BY	FILE NO.
T. E. DURHAM	05/2001	PLD/LCG	ISOCHRON.GPF



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12662 Exhibit No. 8
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 17, 2001



LEGEND

-  MORROW UPPER "C" SS PRODUCER
-  MORROW UPPER "C" SS SHALE
-  NPC PRORATION UNIT

Scale 1:24000.



Nearburg Producing Company
Exploration and Production
Midland, Texas

POCO MESA "26" ST. COM. #1
Eddy County, New Mexico

GROSS ISOPACH MAP
MORROW UPPER "C" SS

C.I. = 10'

GEOLOGIST	DATE	DRAWN BY	FILE NO.
J. B. ELGER	05/2001	PLD/LCG	ISOMUC.GPF

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12662 Exhibit No. 9
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 17, 2001

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE